Approved Code No. 138 Registry No. 1318—1—02

NATIONAL RECOVERY ADMINISTRATION

CODE OF FAIR COMPETITION

FOR THE

ANTI-FRICTION BEARING INDUSTRY

AS APPROVED ON NOVEMBER 27, 1933

BY

PRESIDENT ROOSEVELT

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Approved Code No. 138

CODE OF FAIR COMPETITION

FOR THE

ANTI-FRICTION BEARING INDUSTRY

As Approved on November 27, 1933

BY

PRESIDENT ROOSEVELT

Executive Order

An application having been duly made, pursuant to and in full compliance with the provisions of title I of the National Industrial Recovery Act, approved June 16, 1933, for my approval of a Code of Fair Competition for the Anti-Friction Bearing Industry, and hearings having been held thereon and the administrator having rendered his report containing an analysis of the said code of fair competition together with his recommendations and findings with respect thereto, and the administrator having found that the said code of fair competition complies in all respects with the pertinent provisions of title I of said act and that the requirements of clauses (1) and (2) of subsection (a) of section 3 of the said act have been met:

NOW, THEREFORE, I, Franklin D. Roosevelt, President of the United States, pursuant to the authority vested in me by title I of the National Industrial Recovery Act, approved June 16, 1933, and otherwise, do adopt and approve the report and recommendations, and findings of the administrator and do order that the said code of fair competition be and it is hereby approved.

FRANKLIN D. ROOSEVELT.

Approval recommended:
HUGH S. JOHNSON,
Administrator.

THE WHITE HOUSE,
November 27, 1933.

23787°——244-106——33

NOVEMBER 14, 1933.

The PRESIDENT,
The White House.

SIR: This is a report on the Code of Fair Competition for the Anti-Friction Bearing Industry in the United States, the hearing having been conducted in Washington on October 24, 1933, in accordance with the provisions of the National Industrial Recovery Act.

PROVISIONS FOR HOURS AND WAGES

Factory employees are limited by the Code to 40 hours per week and 8 hours per day; except during periods of unusual production demand, when 48 hours per week will be permitted in any 6 weeks of any 6-month period, provided that the average over a 6-month period is no more than 40 per week. These employees, as well as those engaged in emergency maintenance and repair work (to whom the hour limitation will not apply) will be paid time and a half overtime rate for all hours worked in excess of 8 per day or 40 per week. A tolerance of 10 percent over 40 hours per week is provided for employees engaged in preparation, care, and maintenance, stock and shipping clerks, and deliverymen.

The hour limitation will not apply to service men, traveling salesmen, nor to persons in a managerial, executive, or supervisory capacity receiving $35.00 per week or more. Watchmen will be limited to 56 hours per week. Accounting, clerical, service, sales, or other salaried employees are limited to 40 hours per week averaged over any one-month period, and 48 hours in any one week.

The minimum wage provided for factory workers will be 40 cents per hour; except for work not requiring the strength and skill of adult male labor, for which the minimum will be 35 cents an hour. The minimum wage for office employees will be $15.00 per week in cities of over 500,000 population and fractionally less in proportion to the population in smaller cities down to $14.00 per week. The minimum to office boys and girls, messengers, and old or partially disabled employees will be not less than 80 percent of the rates for their class of work. No distinction in rates will be made between male and female employees in the same occupation.

CHILD LABOR

No person under 16 years will be employed in this Industry, and not under 18 years in hazardous occupation.

ECONOMIC EFFECT OF CODE

The 40-hour week prescribed in this Code and adopted under the President's Re-employment Agreement, in addition to improved business, has increased the number of employees 46 percent since June 1933 when the hours averaged 46 per week.

After the application of the President's Re-employment Agreement, the number of employees in the Industry increased to 13,700 in August, or an increase of about 39 percent since June and 95 percent since March 1933. In September the addition of 800 employees brought the total to nearly 90 percent of the 1929 level.

The average wage rate for female employees in August 1933 was about 28 cents; so that the minimum rate of 35 cents for female labor prescribed by the Code is higher than the old average and well above the previous minimum.

The automobile industry is the largest user of anti-friction bearings. The bearings are also used in electric motors, machine tools, bicycles, and for many other devices. In 1929 the total sales amounted to $107,767,000. By 1932 sales had declined to $25,984,000, or 76 percent. The ratio of sales to capacity in 1929 was approximately 98 percent; and in 1932 this ratio had declined to 26 percent. At present there are 26 concerns in the Industry.

FINDINGS

The Administrator finds that:

(a) The Code as recommended complies in all respects with the pertinent provisions of Title I of the Act, including, without limitation, subsection (a) of Section 7 and subsection (b) of Section 10 thereof; and that

(b) The applicant group imposes no inequitable restrictions on admission to membership therein and is truly representative of the Anti-Friction Bearing Industry; and that

(c) The Code as recommended is not designed to promote monopolies or to eliminate or oppress small enterprises and will not operate to discriminate against them, and will tend to effectuate the policy of Title I of the National Industrial Recovery Act.

It is recommended, therefore, that this Code be approved.

Respectfully,

HUGH S. JOHNSON,
Administrator.

CODE OF FAIR COMPETITION

FOR THE

ANTI-FRICTION BEARING INDUSTRY

Article I—Purpose

To effectuate the policies of Title I of the National Industrial Recovery Act, the following provisions are established as a Code of Fair Competition for the Anti-Friction Bearing Industry, and shall be binding on every member thereof.

Article II—Definitions

The following words are used in this Code with the meanings set forth below:

The term " the Industry " as used herein shall mean and include the manufacturing or the sale by manufacturers or by directly owned or controlled selling affiliates of manufacturers of anti-friction bearings of the ball or roller type or any of their several parts such as: races, balls, rollers, needle rollers, separators, or other parts included in the assembly of an anti-friction bearing as an integral part thereof.

The term " employee " as used herein includes any person engaged in any phase of the Industry in any capacity in the nature of employee, irrespective of the nature or method of payment of his compensation.

The term " employer " as used herein includes anyone by whom such an employee is compensated or employed.

The term " member of the Industry " includes any individual, firm, association, or corporation, or other person operating a plant or plants in the United States for the production of anti-friction bearings of the ball or roller type of any of their several parts, such as: races, balls, rollers, needle rollers, separators, or other parts included in the assembly of an anti-friction bearing as an integral part thereof.

The term " member of the Code " includes any member of the Industry who shall signify assent to this Code.

The term " effective date " as used herein means the tenth day after this Code shall have been approved by the President of the United States.

The term " apprentice " as used herein means a person (usually a minor) bound by indenture to serve an employer for a term of years at a predetermined wage for the period of the indenture in order to learn a trade, art, or profession.

The term "Act " means Title I of the National Industrial Recovery Act.

The term " President " means the President of the United States.

The term "Administrator" means the National Industrial Recovery Administrator.

The term "Administration" means the National Industrial Recovery Administration.

The term "Association" means the Anti-Friction Bearing Manufacturers' Association, a trade association having its office at the Hotel Biltmore, 43d Street and Madison Avenue, New York, New York.

The term "Board of Directors" means the Board of Directors of the Association.

Population for the purposes of this Code shall be determined by reference to the 1930 Federal Census.

Article III—Hours

On and after the effective date of this Code:

(*a*) Factory employees, mechanical workers or artisans in the Industry, except as hereinafter provided, shall not be employed in excess of forty (40) hours per week, nor more than eight hours in any 24-hour period; provided, however, that during any period in which a concentrated demand upon any division of the Industry shall place an unusual and temporary burden for production upon its facilities, an employee of such division may be permitted to work not more than forty-eight (48) hours per week in not more than six (6) weeks of any six months' period; provided that such employee shall be paid one and a half (1½) times his normal rate of pay for any time worked in excess of eight (8) hours in any 24-hour period or of forty (40) hours in any seven (7) days.

There shall be a tolerance of ten percent (10%) additional hours over forty (40) hours per week or 8 hours in any twenty-four (24) hour period for employees engaged in the preparation, care, and maintenance of plant, machinery and production facilities; stock and shipping clerks; and delivery employees.

The maximum hours fixed in the foregoing section shall not apply to any employee on emergency maintenance or emergency repair work involving breakdowns or protection of life or property, but in any such special cases one and one half times the normal rate shall be paid for hours worked in excess of the normal hours herein provided.

(*b*) The limitation as to hours of labor shall not apply to watchmen, service men, commercial travelling salesmen, or to persons in a managerial, executive or supervisory capacity who now receive thirty-five ($35) dollars or more per week, provided, however, that watchmen shall not work in excess of fifty-six (56) hours in any one week.

(*c*) No employer shall work any accounting, clerical, service, or sales employee more than forty (40) hours per week on a one month average, nor more than forty-eight (48) hours in any one week.

(*d*) No employee shall work or knowingly be permitted to work for a total number of hours in excess of the number of hours prescribed for each week and day, whether employed by one or more employers.

Article IV—Wages

On and after the effective date of this Code:

(*a*) The minimum wage that shall be paid factory employees in this Industry shall be forty (40) cents per hour; except that for light repetitive work and such other light factory work as does not usually require the strength and skill of adult male labor (provided that no adult male labor shall be used for such work except at the rate above provided), the minimum rate shall be thirty-five (35) cents per hour.

(*b*) No distinction in rates stipulated in this Article IV shall be made between male and female employees where the same class of work is performed, regardless of whether compensation is calculated on an hourly, weekly, monthly, or piecework basis; but in no case shall the rate for adult male labor be less than forty (40) cents per hour. In any operation where female employees displace adult male employees such female employees shall receive at least the same rate as the adult male employees they displace.

(*c*) All employees mentioned in paragraph (*c*) of Article III shall be paid at the following rates in cities of the sizes listed below and their immediate trade areas: Over 500,000 population, not less than $15 per week; between 250,000 and 500,000 population, not less than $14.50 per week; under 250,000 population, not less than $14.00 per week.

(*d*) No employees of the classes mentioned in paragraph (*c*) of Article III now receiving compensation at a rate in excess of the minimum provided in paragraph (*c*) of this Article IV shall have their compensation reduced on account of any reduction in the weekly hours of employment made to conform with the requirements of paragraph (*c*) of Article III.

(*e*) This Article IV establishes a minimum rate of pay which shall apply, irrespective of whether an employee is actually compensated on a time rate, piecework, or other basis, and in no case shall the rates of pay provided herein be decreased.

(*f*) A person whose earning capacity is limited because of age or physical handicap may be employed on light work at a wage below the minimum established by this Code, if the employer obtains from the State Authority designated by the United States Department of Labor a certificate authorizing his employment at such wages and for such hours as shall be stated in the certificate. Each employer shall file with the Code Authority a list of all such persons employed by him.

(*g*) The provisions in paragraphs (*a*) and (*c*) of this Article IV relating to rates of wages shall not apply to apprentices, office boys and girls, messengers, or to old or partially disabled employees, not exceeding five percent (5%) in number of the employees of any employer.

(*h*) The minimum wage that shall be paid to office boys and girls, messengers, or to old or partially disabled employees by any member of this Industry shall be not less than 80% of the minimum wage stipulated in paragraph (c) of this Article IV.

(*i*) The wage rates for all operations and duties which are in excess of the minimum, herein prescribed, shall be equitably adjusted and in no case shall they be decreased. The action taken shall be

reported to the Code Authority not later than sixty (60) days after this effective date and to the Administrator at his request.

(*j*) In determining his classification under this Code, each employee shall be entitled to claim the benefit of the classification of occupation existing on June 16, 1933.

(*k*) Nothing in this Article IV shall apply to or affect any employee apprenticed to any employer by an indenture made in pursuance of the laws of any State of the United States, or by a written contract under any apprentice system established and maintained by any employer, provided that such contract is filed with the Code Authority, and subject to review by the Administrator.

Article V—Child Labor

No person under sixteen (16) years of age shall be employed in the Industry. No person under eighteen (18) years of age shall be employed at operations or occupations which are hazardous in nature or dangerous to health. In any State an employer shall be deemed to have complied with this provision as to age if he shall have on file a certificate or permit duly issued by the Authority in such State empowered to issue employment or age certificates or permits showing that the employee is of the required age.

Article VI—Administration

1. To further effectuate the policies of the Act, a Code Authority is hereby set up to cooperate with the Administrator in the administration of this Code.

(*a*) The Code Authority shall consist of six members of the Association (no two of whom shall represent the same manufacturer), appointed by the Board of Directors of the Association; and one representative of members of the Industry who are not members of the Association (providing they desire such representation, and signify their willingness to pay their pro rata share of the cost of administering this Code). In addition to the members of the Code Authority appointed by members of the Industry, the Administrator may appoint not more than three representatives of the Government. Such Government Representatives are to be appointed for terms of from six (6) months to one (1) year and if more than one (1) such representative is appointed, their terms shall be so arranged that they will not expire at the same time. The Board of Directors may change its appointees from time to time as it may desire, and shall advise the Administrator of any such changes. The appointee or appointees of the Administrator shall act in an advisory capacity only, and shall have no vote. The representative of the nonmembers shall be elected by the nonmembers in any fair manner approved by the Administrator.

(*b*) The Association shall impose no inequitable restrictions on membership, and shall submit to the Administrator true copies of its articles of association, and bylaws or regulations, and any amendments when made thereto, together with such other information as to membership, organization, and activities as the Administrator may deem necessary to effectuate the purposes of the Act.

(*c*) In order that the Code Authority shall at all times be truly representative of the Industry and in other respects comply with the provisions of the Act, the Administrator may provide such hearings as he may deem proper; and thereafter if he shall find that the Code Authority is not truly representative or does not in other respects comply with the provisions of the Act, may require an appropriate modification in the method of selection of the Code Authority.

(*d*) Any member of the Industry is eligible for membership in the Code, and there shall be no inequitable restrictions on such membership. Any such member may participate in the preparation of and any revision or additions or supplements to this Code by assuming his pro rata share of the cost and responsibility of administering it, either by becoming a member of the Association and paying the annual dues and assessments of the Association, or by paying to the Code Authority his pro rata share of the costs of administering the Code.

2. The Code Authority shall have the following duties and powers to the extent permitted by the Act and subject to review and disapproval or modification by the Administrator.

(*a*) To collect from members of the Industry, directly or through an impartial agency, all data, reports, and statistics when and as required by the President and/or the Administrator and/or their agent or agents; also to collect such data, reports, and statistics as may be required from time to time by the Code Authority; also to collect and furnish to government agencies such statistical information as the Administrator may deem necessary for the purposes recited in Section 3 (*a*) of the Act. All such information shall be confidential, except insofar as disclosure may be necessary for the effective administration and enforcement of this Code. Such data as may be requested by the Administrator shall be made available to him. Reports submitted by the Code Authority to the President or the Administrator shall be in the form prescribed or provided by the President or the Administrator. Nothing in this subdivision shall be considered as limiting the powers conferred on the President or the Administrator by Title I of the Act.

(*b*) The Code Authority may require from the members of the Industry reports regarding prices, or prices and discounts on closed transactions, or such other pertinent data on closed transactions as in its opinion may be necessary to effectuate Title I of the Act, and may publish the same should such procedure be deemed advisable.

(*c*) To represent the Industry in conferring with the President or his agents with respect to the administration of this Code and in respect of the National Industrial Recovery Act and any regulations issued thereunder.

(*d*) To hear complaints and attempt to adjust the same.

(*e*) To coordinate the Administration of this Code with such Codes, if any, as may be adopted by any subdivision of this Industry or any related industry, with a view to providing joint and harmonious action on all matters of common interest, all with approval of the Administrator.

(*f*) To study the trade practice provisions of Article VII hereof, and the operation thereof, and make recommendations from time to time to the Administrator which it deems desirable for modifica-

tion or addition thereto, which, upon the approval of the Administrator, after such hearing as he may prescribe, shall become a part of this Code and have full force and effect as provisions hereof.

(*g*) To make rules and regulations necessary for the administration and enforcement of this Code, subject to the right of any affected person to appeal to the Administrator.

(*h*) Any notice, demand, or request required or permitted to be given to or to be made upon any member of the Industry shall be sufficiently given if mailed, postage prepaid, addressed to such member of the Industry, at his address on file with the Secretary of the Code Authority.

Article VII—Unfair Practices

For the purpose of the Code, the following shall constitute unfair practices:

(*a*) The defamation of competitors by falsely imputing to them dishonorable conduct, inability to perform contracts, questionable credit standing, or by other misrepresentations with the tendency and capacity to mislead and deceive purchasers or prospective purchasers.

(*b*) Enticing away the employees of competitors with the purpose and effect of unduly hampering, injuring, or embarrassing competitors in their business. Nothing in this paragraph will prevent any employee from offering his services to a competitor or prevent any employer from employing an employee of another member of the Industry when the initiative of such change of employment is taken by the employee.

(*c*) Paying or allowing to any purchaser in connection with the sale of any product any secret rebate, commission, credit, discount, adjustment, or similar concession, other than as specified in the contract of sale.

(*d*) False disparagement of the weight, substance, strength, grade, or quality of the goods of competitors, with the tendency and capacity to mislead or deceive purchasers or prospective purchasers.

(*e*) To sell any product at a price or upon such terms or conditions as will result in the customer paying for the goods received less than cost, arrived at by a uniform system of accounting, or uniform accounting formulas established or adopted by the Code Authority to become effective not less than thirty (30) days after adoption by the Code Authority. The Code Authority shall study the operation of such system of accounting or accounting formulas and may from time to time make such modifications therein as it may deem necessary.

Any action taken by the Code Authority under this subsection (e) shall be subject to review and disapproval by the Administrator.

(*f*) Selling or offering to sell any product with intent to deceive purchasers or prospective purchasers as to the quantity, quality, grade or substance of such product.

(*g*) Making or promising to any purchaser or prospective purchaser of any product, or to any officer, employee, agent, or representative of any such purchaser or prospective purchaser, any bribe,

gratuity, or other payment or remuneration, directly or indirectly, for the purpose of influencing a sale.

(*h*) Any additional practices which shall be declared to be unfair by an amendment to the Code.

(*i*) Using or employing any unfair practice hereinbefore specified shall be deemed to be a violation of the Code, and any member of the Industry who shall directly or indirectly, through any officer, employee, agent, or representative, knowingly use or employ any of such unfair practices, shall be guilty of a violation of the Code.

Article VIII—General Provisions

(*a*) Employees shall have the right to organize and bargain collectively through representatives of their own choosing, and shall be free from the interference, restraint, or coercion of employers of labor, or their agents, in the designation of such representatives or in self-organization or in other concerted activities for the purpose of collective bargaining or other mutual aid or protection.

(*b*) No employees and no one seeking employment shall be required as a condition of employment to join any company union or to refrain from joining, organizing, or assisting a labor organization of his own choosing.

(*c*) Employers shall comply with the maximum hours of labor, minimum rates of pay, and other conditions of employment, approved or prescribed by the President.

(*d*) All employers shall post complete copies of this Code in conspicuous places accessible to employees.

(*e*) This Code and all the provisions hereof are expressly made subject to the right of the President, in accordance with the provision of subsection (*b*) of Section 10 of the National Industrial Recovery Act from time to time to cancel or modify any order, approval, license, rule, or regulation issued under Title I of said Act and specifically, but without limitation, to the right of the President to cancel or modify his approval of this Code or any conditions imposed by him upon his approval thereof.

(*f*) Within each State this Code shall not supersede any laws of such State imposing more stringent requirements on employers regulating the age of employees, wages, hours of work, or general working conditions, than under this Code.

(*g*) Such of the provisions of this Code as are not required to be included herein by the National Industrial Recovery Act may, with the approval of the President, be modified or eliminated as changes in circumstances or experience may indicate. It is contemplated that from time to time supplementary provisions to this Code or additional Codes may be submitted for the approval of the President to prevent unfair competition in price and other unfair and destructive competitive practices and to effectuate the other purposes and policies of Title I of the National Industrial Recovery Act consistent with the provisions thereof.

(*h*) No provision in this Code shall be interpreted or applied in such manner as to: (*a*) promote monopolies or monopolistic practices; (*b*) permit or encourage unfair competition; (*c*) eliminate

or oppress small enterprises; or (*d*) discriminate against small enterprises.

(*i*) Nothing contained in this Code shall be deemed to constitute the members of this Code partners for any purpose. None of the members of the Code shall be liable in any manner to anyone for any act of any other member of the Code, or for any act of the Code Authority, the Association, the Board of Directors, or of any committee, or of any officer or employee appointed under the Code. None of the members of the Code Authority or of the Association or of any committee appointees under the Code shall be liable to anyone for any action or omission to act under the Code, except for his own wilful misfeasance or nonfeasance.

(*j*) If any member of this Industry is also a member of any other Industry, the provisions of this Code shall apply to and affect only that part of the business of such member as is a part of the Industry covered by this Code.

(*k*) This Code shall be in effect beginning on the tenth day after its approval by the President and shall be binding upon all members of the Industry.

Approved Code No. 138.
Registry No. 1318–1–02.

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